

Finance Committee Regular Meeting
Minutes of the December 13, 2016

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 8:00 a.m. on Tuesday, December 13, 2016 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Schaefer, Benter, Fink and Guckenberger.

Also present: County Board Chairman Russ Kottke, Mielke, Kolp, Hilker, Bill Wiley, Leonard Laufenberg, John Corey, Kathilynn Grotelueschen, Becky Bell, Joe Roche, Brian Field, Karen Gibson and Lifke.

Julie Kolp, Finance Director certified the public notice given for this meeting complies with the requirements of Wisconsin's open meetings law.

Motion by Benter and 2nd by Schaefer to allow the chair to deviate from the agenda at his discretion. Motion carried with unanimous approval.

Motion by Fink and 2nd by Benter to approve November 8, 2016 regular committee meeting minutes as presented. Motion carried with unanimous approval.

Resolution No. 16-71 – Human Services and Health Budget Amendment. The Fiscal Note set forth in Resolution No. 16-71 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$954,252 Revenues and Expenses. This will be an overall \$0 impact on 2016's adopted Budget. Ken Kamps, Division Manager of Fiscal/Support Services updated committee members. According to Kamps, with regionalization of the Comprehensive Community Services (CCS) program, more certified agencies became available and enrollment increased. Costs for the expanded CCS program are reimbursable and the purpose of the resolution is to appropriate the additional revenues to cover the additional CCS costs and increased costs for Winnebago Mental Health Institute. Motion by Schaefer and 2nd by Fink to approve the Fiscal Note as presented and authorize and direct the Finance Committee's Chairman to sign the Fiscal Note and send Resolution No. 16-71 to the County Clerk. Motion carried with unanimous approval.

Bill Wiley, Clearview Director of Financial Services appeared to presented information on Clearview's requested budget adjustment. According the Wiley, Clearview is requesting an additional \$25,000 in Business Unit (BU) 4582 – Other Expense for legal fees. These increased legal fees are for collection attempts on several resident accounts with large balances along with guidance on future collection procedures. Excess funds are available in BU 4561 – Accounting and Auditing because of decreased billing consultant services and BU 4569 – Co. Telephone Services because costs are lower than budgeted. Clearview requested additional funds for legal fees in April but that was for legal fees of a different purpose. With this transfer, the budgeted amount for this line item is \$72,000 and funds should be available through October. Wiley commented that he may be back for additional funding for this line item pending additional legal services required. Motion by Schaefer and 2nd by Benter to approve this transfer. Motion carried with unanimous approval.

Wiley continued with other adjustments to Clearview accounts. Additional expenditures were incurred with increased census in some areas. Adjustments requested would be to transfer budgeted dollars from accounts anticipated to be less than budget to the increased expenditure line items. A total of \$137,500 was transferred.

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Resolution No. 16-69 – Quad Axle Dump Trucks. The Fiscal Note set forth in Resolution No. 16-69 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2017's adopted Budget. According to Brian Field, Highway Commissioner, this purchase is part of the ongoing buy-back program implemented in past years. Motion by Benter and 2nd by Fink to approve the Fiscal Note as presented and authorize and direct Finance Committee's Chairman to sign the Fiscal Note and send Resolution No. 16-69 to the County Clerk. Motion carried with unanimous approval.

Resolution No. 16-70 – Tandem Dump Trucks. The Fiscal Note set forth in Resolution No. 16-70 was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Fiscal Impact in the amount of \$0 on 2017's adopted Budget. According to Field, the trucks being purchased didn't meet the specs for the trucks needed for 2016. These trucks are purchased and built according to highway needs. These same trucks do meet the specs for 2017 trucks that will be built and in addition, there's a discount on them this year. Motion by Schaefer and 2nd by Benter to approve the Fiscal Note as presented and authorize and direct the Finance Committee's Chairman to sign the Fiscal Note and send Resolution No. 16-70 to the County Clerk. Motion carried with unanimous approval.

John Corey, Corporation Counsel Director and Kathilynn Grotelueschen, Assistant Corporation Counsel presented information the Drainage Board's request to borrow money from other drainage districts in Dodge County. Reference was made to a letter from Drainage Board's Attorney Sean Donahue regarding his interpretation that the Drainage Board can borrow money to pay any lawful indebtedness of a district and doesn't restrict them from borrowing from another district. According to Corey and Grotelueschen, the statute states the Drainage Board can obtain a loan from the federal government or any similar agency or a public or private loan agency but doesn't give the Board the power to negotiate and obtain such a loan from another district. Leonard Laufenberg, Drainage Board Chairman and Joe Roche, Drainage Board Secretary appeared to present the Drainage Board's concern. According to Laufenberg, prior history shows underfunded districts borrowing funds from overfunded districts to meet current bills. Kolp, explained the situation was discovered during Finance's new policy of reviewing invoices of \$10,000 or more. Laufenberg noted, the districts normally have funds to pay for project costs but on occasion, projects incur additional costs after work has started and before another assessment can be passed. The normal assessment process involves calling a meeting which can take up to a month. If an assessment is ordered, payment doesn't have to occur before 90 days and property owners can have up to three years to pay the assessment. This a four month delay from the time of discovery. Since contractors are on the job when additional needs are discovered, the Drainage Board directs the contractors to proceed with the work. Laufenberg assured committee members that the assessment process is initiated as soon as need is recognized. Laufenberg continued with information on an upcoming drainage district project projected estimated at \$500,000. Considering the anticipated costs, the Drainage Board is requesting to borrow money from the county so property owners won't have to pay as much upfront before the project begins. Since county property will be part of this assessment, another option suggested was for the county to pay most or all of the county's assessment upfront so funds would be available to make timely payments of project bills prior to collections from the other property owners. Chairman Frohling inquired what the county's liability would be if the drainage districts were allowed to borrow from each other. Kolp also expressed concern with the Drainage Board borrowing money before an assessment is completed. Grotelueschen noted that the statute doesn't

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state an assessment is required prior to borrowing. Kolp requested direction from the Finance Committee on processing current invoices from underfunded districts and how to proceed in the future if the situation reoccurs. Chairman Frohling requested an Attorney General Opinion for future occurrences. He also suggested the Drainage Board have a written policy to follow regarding the issues presented. Motion by Benter and 2nd by Schaefer to approve payment of current Drainage Board bills providing all districts collectively have funds available for payments and invoices \$10,000 or more don't have to be approved by the Finance Director prior to payment because Farm Drainage isn't a county controlled entity. It was noted this is a single time action and further actions are pending Attorney General Opinion. Motion carried 4-1. Guckenberger opposed.

Kolp provided background information on agenda item 8a and the "Schedule of Expenditures of Federal and State Awards" (SEFSA) prepared by Johnson^Block Company. The Findings begin on page 19 of the SEFSA. Kolp explained this section begins with prior year (2014) findings, material weakness, significant deficiencies and noncompliance followed by 2015 material weakness and significant deficiencies. Page 26 begins 2015's findings. Finding 2015-001 is the finding referenced in agenda item 8a. It's a Material Weakness in the internal controls and financial reporting regarding billing and collections of Human Services and Health (HSH). The material weakness was generated due to the lateness of billings and the dollars involved with the late recording of revenues and receivables. Kolp noted that this finding will remain on the Finance Committee agenda for consideration and discussion until the Finance Committee is satisfied that there won't be the possibility of a repeat finding.

Kamps addressed the status of the Finding. According to Kamps, NetSmart software will help gain accuracy and efficiency with billing and General Fund reporting. Additional advance Excel training will assist in determining accurate receivable and write off amounts. The addition of a limited-term employee to the staff will also help with getting billing up-to-date. October bills were sent out the first of December and Kamps is confident billing remains timely. Frohling reaffirmed that confidence in timely billing processes will avoid repeat Findings.

Kolp added that the State of Wisconsin also requested follow up on resolutions to the findings. NetSmart implementation in first quarter 2017 along with staff addition dedication to the matter were cited as resolutions. Kolp noted there are still current concern about billing and charge lines in the TCM system. Kolp is confident the Finance Department has a means to manage the concerns however, a complete resolution may not be possible. The Independent Auditor is aware of the situation. Netsmart is anticipated to have more usable reports which will aide billing, reporting and General Ledger posting.

Chairman Frohling reported the External Audit Committee continues to work on follow up information from the Baker Tilly Operational Review.

HSH requested an \$80,000 Intra-Department Fund transfer to cover increased costs in BU 4842 – CD-CBRF (Community Based Residential Facilities) for clients dealing with substance abuse issues. Funding for this transfer came from other programs in Unified Services that were underutilized.

Patti Hilker, Treasurer addressed requests made at November's Finance Committee meeting. For September's Statement of the Dodge County Treasurer, "Less Outstanding Checks" was added to

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the line reflecting \$1,671,066.61. This information was not included on the original report. Hilker explained this report is a monthly report showing cash receipts and disbursements as well as reconciliation to the General Fund and checking account. Following committee member's request, internal borrowings were also added to the Investment Report.

The County Treasurer provided committee members copies of October 2016's statement of cash and October and November 2016's county investment holdings for review. Hilker reported the November investment report is partially complete due to timing of reports received from investing facilities. Hilker concluded by reporting the new tax program is working well and is very efficient.

The monthly county state sales tax remittance reports were reviewed. November 2016's remittance for September was \$545,035 compared to \$417,286 from the same period in 2015. The fiscal year remittance to date is \$5,423,227 compared to \$5,183,252 the same time period in 2015.

Motion by Guckenberger and 2nd by Benter to approve a Contingent Appropriation transfer of not-to-exceed \$10,000 to cover additional cost relating to increased autopsy and forensic testing costs in BU 2501 – Medical Examiner. Motion carried with unanimous approval.

Scott Smith, Chief Deputy Sheriff submitted information requesting Jail Improvement funds to purchase capital equipment for the Jail. Kolp provided committee members with information on purpose and usage of Jail Improvement Funds. Motion by Guckenberger and 2nd by Schaefer to purchase alcohol sensor equipment (\$485), kitchen shelving (\$2,068) and duress personal alarm transmitters (\$2,258) for a total of \$4,811 from Business Unit (BU) 1326 – Jail Improvement and process vouchers when received. Motion carried with unanimous approval.

Kolp provided committee members with a document summarizing the recently adopted Financial Policies. Highlighted areas of the policies included:

- Budget control had been at the business unit level but has been changed to the department level. The change allows department heads to transfer funds between BUs within their departments to cover unanticipated revenues and expenditures. Department heads are able to request transfers of less than \$50,000 without County Board approval. Departments can't exceed the department budget as a whole without County Board authority. Department heads request less than \$50,000 by submitting Intra-fund transfers. These transfer requests are provided to committee members for awareness.
- Unbudgeted revenues and corresponding expenditure requests under \$50,000 can be approved by the Finance Director. Unbudgeted revenues \$50,000 or more requires County Board approval.
- Rule 30 addresses single purchases over \$50,000. The value for Capital Improvement Projects changed from \$25,000 to \$50,000.
- Purchase vouchers \$10,000 or more are reviewed by the Finance Department to assure funds are available for the line item and/or BU budget overall. Kolp addressed the review process followed by the Finance Department. Departments are responsible for monitoring their own budgets and if they anticipate a line item will exceed budget, they should be submitting the intra-department transfer prior to submitting the voucher. Vouchers under \$10,000 are reviewed by the Audit Committee. The Finance Director or County Administrator can forgo approval and choose to send any purchase request \$10,000 or more to County Board for approval.

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Kolp continued with the Fund Balance document. According to Kolp, the goal of applying funds to the upcoming budget at budget time is to factor in the anticipated amount of funds that may be returned at the end of the current year. This minimizes the overall actual use of General Funds. Funds applied to the upcoming budget remains in the Unassigned Fund Balance until the books close. Once the books are closed, these funds become part of the assigned funds. Kolp provided additional detail on the Unassigned General Fund Balance in reference to current year's usage of Unassigned Funds and the impact of Highway and Maintenance's internal borrowings.

Jim Mielke, County Administrator addressed the proposed changes to the County meeting agendas. Badke Notices were used for agenda notices when other county committee quorums were anticipated at upcoming meetings. Recent legal opinion stated this notice isn't sufficient and agendas need to be posted as joint meeting. Mielke expressed his concern that this may discourage committee members from attending meeting they aren't appointed to. Mielke suggested committee members notify the meeting Chair if they plan to attend the Chair's committee meeting.

Highway presented an Intra-Department Fund transfer request in BU 3271 – Building & Grounds Operations, from line item 5494.01 – Juneau Material and Supplies to line item 5494.07 – Salt Shed Materials and Supplies. An Unbudgeted/Excess Revenue Appropriation was submitted for additional revenues received for State Radio Reimbursement in BU 3192 – Radio Expenses and Performance Based Maintenance in BU 3322 – STHS Road/Bridge Cons. Highway requested to have the revenue appropriated for additional radios (BU 3192) and salt shed materials and supplies (BU 3281).

Register of Deeds (ROD) presented an Unbudgeted/Excess Revenue Appropriation request for BU 1002 – Register of Deeds-Redaction. ROD requested unbudgeted non-lapsing 1002 Fund Balance to cover under estimation expenditure for 2016.

Land Resources and Parks submitted an Intra-Department Funds transfer request for BU 1101 – Survey to purchase capital equipment with excess funds budgeted for wages and benefits. The requested amount is within the department's budgetary control but since it's for capital equipment purchase, it has to go to the committee of jurisdiction for approval.

Vouchers \$10,000 or more was reviewed. Eileen Lifke, Assistant Finance Director provided information regarding a question from November's Finance Committee meeting. St. Rose Youth & Family Center is located in Milwaukee.

Kolp provided an update on the Enterprise Resource Planning (ERP) project. Committee members were provided with December's ERP Project Publication. Beginning in December, this publication will feature the ERP team leads. According to Kolp, the team is currently working on functional requirements. The Steering Committee did approve the project charter and the overall status of the project is on target.

Karen Gibson, County Clerk appeared to present information on the Presidential Recount. The recount started Thursday, December 1, 2016 and finished on Monday evening, December 5, 2016. The actual recount deadline was December 12, 2016. Gibson notified municipal clerks and worked

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with Finance on time study sheets for recount staff and hours. Along with the County Clerk, other internal departments involved with the recount included County Administrator, Finance, Human Resources, and Corporation Counsel. The costs to the county must be submitting to the State before December 31, 2016. Current county costs are \$17,600 without Human Resources' time. The majority of cost related to recount workers' time. Recount process was based on two shifts per day and recount workers were able to work one or both shifts. The recount process averaged 18-20 workers per shift with the majority of them being election workers or town clerks. According to Gibson, everyone worked well together. Productive rate of pay was used for internal staff and according to Kolp, the county policy is to recoup costs based on productive rate of pay unless denied by reimbursement agency. Meals were from Clearview and Subway. Clearview meals were \$5 per meal plus the productive rate of pay for Clearview staff. The county chose to do a hand count.

Carry-over requisitions were discussed. It was decided the Finance Committee will review carry-over requests and be Co-signers on the resolutions along with committee of authority prior to sending them to County Board.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 10:39 a.m.

January 10, 2017 at 8:00 a.m. in Room H & I – Auditorium on the 1st floor of the Dodge County Administration Building.

Edward Benter

David Frohling Chr.

Secretary